REMARKS

I. **Front Page of Office Action**

The cover page of the March 1, 2006 office action indicated that the office action is non-final, that claims 32-70 are pending, and that claims 32-70 are rejected. In reply, the applicant agrees.

II. **Status of Claims**

Claims 1-31 are canceled.

Claims 32-76 are pending.

This amendment adds new dependent claims 71-76.

No claim is withdrawn.

Claims 32, 45, and 58 are the independent claims.

III. **The Rejections of Claims 32, 33, 35, 37-44, 45, 46, 48-57, 58, 59 and 61-70 Under 35 USC 102(b) as Being Anticipated by US Patent No. 4,882,675 to Nichtberger,**

A. **Law of the Case**

Previously, the BPAI rendered a decision on an appeal in this application reversing all but double patenting rejections, and the applicant subsequently filed a terminal disclaimer mooting the double patenting rejections. The relevant holdings in the BPAI decision were as follows:

reversed all 112, 1st paragraph rejections of claims 32-70 for lack of enablement of "transmitting selection data", noting that the specification page 9 lines 4-5 enabled a customer selecting a coupon after log in.

reversed all 112, 1st paragraph rejections for lack of written description of "generating token data", noting that page 24 lines 2-6 discloses that computer 302 generales the token 316.

reversed all 112, 2nd paragraph rejections of claims 32-70 noting that the "transmitting" and "generating" needed no antecedent basis;

reversed all 102 anticipation rejections over Day, at least because Day does not disclose either transferring promotion data from anywhere to the in-store terminal or generating token data depending on the consumer's selection data;

reversed all rejections under 102/103 based upon the examiner's personal knowledge of the performancebike.com web site; and

sustained the rejections of claims 32-70 four obviousness-type double patenting over claims in USP 5,970,469 and 09/567,274 (rendered moot by subsequent filing of a terminal disclaimer).

B. **Examiner Proffer of Allowance**

On 2/17/2006 Examiner Janvier telephone the undersigned requesting that I authorize a claim amendment to claim 1, so Examiner Janvier could "allow" the application. He admitted that he was not immune to the second pair of eyes policy. Therefore, I did not authorize him to make any amendment. The office action dated 3/1/2006 followed.

C. **Examiner's Claim Construction in the 3/1/2006 Office Action**

In the 3/1/2006 office action, the examiner construed the claims stating that:

> Concerning claims 32, 45 and 58, in the limitations "generating token data depending on said selection data", the term "token" defines coupon offers preferably in coded form, such as bar codes, but the token is not immediately recognized as a coupon per se (although it has coupon data encoded thereon). Subsequently, the token is transmitted to the user or user's computer and the user takes the token to his selected store, encoded on the token, and receives, upon purchasing the required item as encoded on the token, the appropriate purchase incentive or discount or promotion automatically or a voucher, redeemable on a future purchase, may be provided to the user instead and in accordance with the purchase incentive or promotion received from the central computer database and stored in the local store server database (See embodiments of figs. 13 and 18 of the specification). In other words, the token, which can very well be a piece of paper, has data similar to coupon data encoded thereon except for the discount value or the purchase incentive itself that is stored locally at the redemption site or on a remote central repository accessible by the redemption site system. In any event, whether a token or a coupon (e-coupon) is being presented for use, the

redemption is virtually or substantially performed the same way, especially if the coupon distribution and redemption are conducted electronically.

Finally, "generating a purchase incentive based..." is interpreted as --retrieving the purchase incentive from the local store server in response to the token bearer's or identified user's purchase of the required item as read from the token--. Here, the "purchase incentive" was earlier transmitted from the main computer central repository to the selected local store server database in response to the user's selection.

In response, the applicant submits that the examiner's claim language interpretations are not entirely correct.

For example, the examiner's interpretation of "token" is inaccurate. The specification page 24 lines 2 and 3 indicates that a token is not a coupon. That sentence reads "Generating a 'token' instead of a coupon, as described above with reference to FIG. 13, also reduces risk of fraud." Hence, the specification defines a token as not a coupon, that is, not a paper coupon. The specification at page 24 lines 7-9 goes on to state that a token "includes coded information, e.g., a bar-coded information, establishing that the user visited the network site and selected one or more promoted items. Although the token is described in this specification as being in printed form, including a bar-coded information, clearly other forms of the token may be preferred as different technologies develop. For example, ..."

For another example, the examiner's interpretation of "generating a purchase incentive based..." is incorrect. The examiner states that this recitation means in part "-retrieving the purchase incentive from the local store server in response to the token bearer's or identified user's purchase of the required item as read from the token" However, the foregoing definition of a token does not imply that the token stores the identification of the items required for the consumer to purchase to receive a purchase incentive. Therefore, the examiner's assertion that "generating a purchase incentive based..." requires the local store server to read the required items from the token is incorrect. Furthermore, the examiner's assertion that "generating" means "retrieving" is not supported by a review of the specification. In fact, specification page 24 lines

23-26 states, in connection with scanning of the token during a users purchase transaction at the retail store, that:

> voucher 632 is generated, based upon the user's purchase of qualifying items. ... The voucher 632 provides a cumulative cash discount to the user (either immediately or on a subsequent store visit, no matter which items are purchased in the subsequent visit). The voucher also contains a bar-coded price look-up (PLU) code, which requires the store checker to enter a "price", i.e., a total voucher amount, in order to process the voucher and apply the discount to the user's order.

The foregoing passage shows that generating means creation of a purchase incentive, not "retrieving" data from a database. Hence, the examiner's contrary assertion is incorrect.

The examiner should carefully distinguish in this regard a discount applied to a current order due to the existence of purchase incentives, such as what happens when a discount coupon is submitted during a purchase transaction, from "generating a purchase incentive." Generating a purchase incentive as recited in claim 32 does not mean applying a discount to the current order; it means generating a purchase incentive. The recitation in the specification that the data on the voucher (a generated purchase incentive) must subsequently be entered into the local store server after the voucher is generated, clearly distinguishes the voucher from a purchase incentive or discount applied to a current order due to the existence of purchase incentives.

In addition the examiner made the follow formalities objection:

> Claims 32, 44, 45, 57, 58 and 70 are objected to because of the following informalities-Concerning claim 32, there is a gap between the step of "transmitting said token data from said main computer to said personal computer over said computer network" and the step of "identifying said token data in a retail store in association with items being purchased at said retail store". Here, it is not clear how the token data are being associated with a consumer during a

transaction or whether or not the token data are made available in a database for later retrieval or being printed on a piece of paper at the personal computer or encoded on a medium or a card and the consumer presents the printed paper or the card, having the token data imprinted or encoded thereon respectively, to effect a redemption at the retail store. In prosecuting the claims, the Examiner assumes, in one instance, that the token data (coupon selection information) are either printed on a piece of paper at a terminal or encoded on a card, which is presented at a checkout during a redemption and the printed paper or card is being referred here as a token. It is further assumed that the token or printed paper (receipt reminder) or card can be used as an identification means to identify the customer or consumer, at the retail store, to thereby retrieve the token data (coupon selection data) from a database, which stores the token data (coupon selection data) under the consumer's account. Claims 45 and 58 suffer from the same deficiencies and are objected to under a similar rationale.

Concerning claim 44, "...one of an intranet and the Internet" should apparently be --"...one of an intranet or the Internet--. Claims 57 and 70 suffer from the same deficiencies and are objected to under a similar rationale.

Appropriate corrections are required.

In response to the assertion of a gap in claim 32 because the "identifying" step follows after the "transmitting" step, the applicant respectfully disagrees that there is a "gap" in claim 32. It may be that the user transmits or carries the token to the store between those two steps, but the activity of the user is not what the applicant is claiming. The application (per claim 32) claims "A computer implemented method."

In response to the concern regarding claim 44, 57, and70, the applicant disagrees because the recitation "one of an intranet or the Internet" is a proper Markush recitation, and the examiner's suggested recitation ("or") is a not a proper Markush recitation.

Moreover, the examiner's requirement is based upon a premise that 32, 44, 57, and 70 are indefinite which is contrary to the law of the case holdings noted above.

D. **The rejections under 102 based upon Nichtberger, USP 4,992,675**

In the office action mailed March 1, 2006, the examiner rejected claims 32, 33, 35, 37-44, 45, 46, 48-57, 58, 59, and 61-70 under 35 UC 102(b) as being anticipated by Nichtberger reasoning that:

> As per claims 32, 33, 35, 37-44, 45, 46, 48-57, 58, 59 and 61-70, Nichtberger discloses a system for electronically distributing and redeeming, cents-off merchandise coupons. An electronic display of coupons valid for use in a particular store is presented to customers in that store via a terminal (personal computer). When a customer makes a selection of coupons from the display, coupled to the personal computer, the selection is recorded in a storage medium. The customer is subsequently identified, via an identification means or card (or receipt reminder or token associated with the selection), at a store checkout station as the one who had earlier made the selection. In a preferred embodiment, the identification is made by scanning a special card adapted for use with the system. The items purchased in the store by the customer are recorded and any matches between the coupons selected items, as featured in the selections (or printed on the receipt reminder or token), and the items purchased are determined electronically. Then the store checkout system totals the individual incentives related to each matched item currently in the customer's order to generate an accumulative incentive (generating a purchase incentive or accumulative incentive based on the individual matches between the purchased items and the selected coupon items presently in the customer's order), which is immediately credited in accordance with the terms of the matched coupons to the customer's purchase. Redeemed coupons are periodically cleared electronically.
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> A local unit 20 (personal computer) of fig. 1, associated with a point-of-transaction and coupled over a network to a central computer or main computer or operation center database storing coupon data, presents to the customer an electronic display of coupons available for selection by the customer

when the customer insert a special card into the local unit 20 to identify himself. The card may include a UPC code, which identifies the user and a magnetic stripe on which information (about the selected coupons) can be recorded. The customer then selects the coupons, which he or she wishes to redeem later. The CDR (coupon distribution and redemption) unit 20 records the selection and makes information identifying the customer and the selected coupons available to each of the checkout stations, which comprise the checkout system 18 of a supermarket. A receipt or a token, identifying the selected coupons, may be printed for the user's convenience. Here, it is understood that the receipt is simply a reminder, but not a coupon per se (col. 5: 1-16).

After the user has made his or her purchases, during a transaction at a participating retailer or supermarket, he or she goes to one of the checkout stations and presents his or her special (proprietary) card, having encoded thereon the customer's identification data and other information (related to the customer's coupon selection at the display or local unit 20), to the attendant at the station. The attendant causes the card to be read by a suitable card reader (such as a UPC card scanner) and the checkout system 18 of fig. 1 then automatically credits the customer for the coupons, selected earlier at the display and recorded in a database, he had earlier selected where there are corresponding purchases against which the coupons are to be applied or when a purchased product in the customer's order matches a selected coupon item as read from the database (or from the receipt reminder or from data encoded on the special card) (receiving a token or special card, having encoded thereon the customer's identification and other information at a checkout and generating a purchase incentive or cumulative incentives by totaling individual incentives related to each selected coupon item in the customer's order and applying the cumulative incentives on the customer's purchase- Col. 5: 17-25).

Thereafter, information regarding the redeemed selected coupons is transmitted to the central processing unit 16 (or main computer or clearinghouse)

of fig. 1, which then automatically debits the manufacturer who distributed or provided the coupons in the first place and credits the supermarket or retailer corresponding to the local station 10 at which the coupon (selected coupons) was redeemed (compensating the retailer for honoring or redeeming the selected coupons- Col. 5: 26-31). Hence, in the preferred embodiment, selection (distribution), redemption and clearing are accomplished automatically without handling of paper coupons by customer or store and thus without the possibility of the types of fraud which now plague the industry (col. 5: 32-37).

See col. 5: 46 to col. 6: 28; col. 10: 51 to col. 11:34

Further, during the customer's interaction with the coupon display 20 and coupon selection, after the last screen is presented and a user decision made, an "account choice" record or file (for the purpose of storing the customer's coupon selection) is created in a database and a receipt or shopping list may be printed. The receipt or token, which is not a coupon per se, includes a receipt number, the product name, size and the savings amount. The printed receipt is used as a reminder to shoppers and can also be used to identify the users of cards, which are not special cards at checkout time during a redemption process. If a special card is used, a notation to that effect including the period of such use is magnetically recorded on the card memory for future use during a coupon selection transaction and to thereby measure the coupon and redemption effectiveness. The customer's coupon selections are entered in a database file for permanent storage and later retrieval during a redemption process at a supermarket (Col. 11:35-45).

In general, coupon selection information is reported via a communications link or network (LAN or WAN or Intranet) to the local processor (for storage and later retrieval), which controls the store's automated checkout system. This facilitates a subsequent retrieval and comparison of coupon selected items (coupons selected) to purchased items before individual incentives related to matched items in the customer's order can be added, during a redemption, and applied to the customer's purchase (col. 11: 46-50). .

During the introductory period, customers without a special card will instead be allowed to utilize selected cards having a magnetic stripe to activate the CDR unit or display 20 during a coupon selection transaction. In this case, the number printed on the receipt or coupon selection reminder (token) can have operational significance if the receipt does not bear the account number and if the card does not display the account number in UPC code format. The customer shops at a supermarket by purchasing items and proceeds to the supermarket checkout station. Since the reminder (token) bears the number under which the customer's selections are filed or recorded by the CDR unit 20 in a database, it (token) is presented at checkout time in lieu of the special card to thereby retrieve from the database the customer's stored coupon selection, during a redemption, and to compare coupon items to purchased items and to effect a redemption, as described above (col. 11: 51-63; col. 13: 65 to col. 14: 7).

See col. 15: 27-43; col. 17: 30 to col. 18: 41.

In response, the applicant submits that the examiner has misconstrued the claims and mis-associated the structures disclosed in the reference with claim limitations.

The Abstract of Nichtberger summarizes Nichtberger's system and method, stating that:

Cents-off merchandise coupons are distributed and redeemed immediately and electronically. An electronic display of coupons valid for use in a particular store is presented to customers in that store. When a customer makes a selection of coupons from the display, the selection is recorded. The customer is subsequently identified at a store checkout station as the one who made the selection. In a preferred embodiment, the identification is made by scanning a special card adapted for use with the system. The items purchased in the store by the customer are recorded, and any matches between the coupons selected and the items purchased are determined electronically. The customer is immediately credited in accordance with the terms of the matched coupons. Redeemed coupons

are periodically cleared electronically.

Additional relevant portions of Nichtberger state that:

> A receipt [at the terminal] may be printed for the user's convenience, identifying the selected coupons. *** After the last screen is seen, and a user decision made, the "account choice" record is created, and a receipt or shopping list may be printed. The receipt includes a receipt number, the product name and size, and the savings amount. It is used as a reminder to shoppers and can be used to identify the users of cards which are not special cards at checkout time. If a special card is used, a notation to that effect, including the period of such use, is magnetically recorded on the card, as indicated at 60. The customer's coupon selections are entered in a file, as indicated at 62.
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> ***
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> FIG. 1 represents a system in accordance with the invention. An operations center, shown at 8, cooperates with a plurality of local stations 10. Each of these local stations 10 will be located at a supermarket (in this example) where the coupons are to be distributed and redeemed.

Nichtberger issued from an application filed November 26, 1984, which is prior to the existence of the World Wide Web and about 2 years after the discovery of personal computers (circa 1982; launch of Apple Computers). Nichtberger's disclosure does not mention the Web or use of personal computers. What Nichtberger discloses is a system having a terminal and display in a retail store; a conventional multi terminal computer system. Nichtberger does not disclose network connections, the Internet, or the Web.

Claim 32 reads:

32. (Once Amended) A computer implemented method for distributing purchasing incentives to consumers, comprising:

transmitting promotion data identifying a plurality of product discounts from a main

computer to a personal computer over a computer network;

displaying said plurality of product discounts at said personal computer based on said promotion data;

transmitting selection data designating at least one product discount selected from said plurality of product discounts from said personal computer to said main computer over said computer network;

generating token data depending on said selection data;

transmitting said token data from said main computer to said personal computer over said computer network;

identifying said token data in a retail store in association with items being purchased at said retail store;

determining discount items being purchased corresponding to said at least one product discount from said identified token data; and

generating a purchase incentive based on said discount items.

The examiner asserts the claimed "personal computer" reads on Nichtberger's in store terminal. However, Nichtberger discloses no personal computer. Therefore, the examiner's rejection under 102 is improper and should be withdrawn.

Moreover, the specification of this invention discloses the consumer obtaining the token over the Internet using a personal computer, using a web site. See Fig. 18 elements 302 (user PC); 304 (Internet); and 300 (Supermarkets Online Incitive Distribution Server) showing the user PCT connected via the Internet to the Supermarkets Online Incitive Distribution Server. The relevant sections of the specification discuss the personal computer as a computer capable of, and in fact, communicating over the Internet with a web server. See page 24 lines 5-6 ("user's computer 320 ... interat[s]... with the distribution server 300" in order to generate a token). Moreover, Our specification page 1 lines 27-30 and page 9 lines 6-8 refers to the Internet and use of web browsers. In discussion the token concept, at page 18, the specification state that "Transmitting Incentives without Physical Coupons : An alternative arrangement for distributing purchasing incentives over th e Internet is illustrated in FIG . 13 . This figure shows an incentive

distribution server computer 300 and a user's personal computer 302 connected together through a computer network, indicated by the network cloud 304."

Moreover, several section of the specification refers to use of a central site (page 2 line 2) and a communication device at a consumer site (page 2 line 2), logging in a remotely located consumer (page 2 line 3), and logging in the remotely located consumer using geographic data transmitted by the consumer (page 2 line 4). Spanning pages 3 and 4, the specification states that the token embodiment includes "transmitting only an incentive token to the customer.... for use by the customer, who brings the token to the store on a subsequent visit...."

Also relevant to the definition of "personal computer, the background of the invention section of the specification states that "In recent years, an increasing number of retail store customers also own personal computers and, of these, many have access to computer network services that provide connections to the Internet and the World Wide Web. Although some computer 20 sites connected to the World Wide Web have begun to offer "online" shopping services, and some services have proposed to deliver discount coupons through a computer network, the full potential of online delivery of incentives has not been realized prior to the present invention."

Thus, the specification distinguishes the meaning of "personal computer" from a dedicated terminal, and the location of the personal computer from a terminal located in a retail store.

Nichtberger's does not disclose a personal computer as defined in the specification, that is, a computer used by a user to communicate over the Internet with a Web server, as defined by claim 32. Therefore, Nichtberger does not anticipate claim 32.

Nichtberger does not disclose using a personal computer and transmitting to and from the personal computer over a computer network, as defined by claim 32.

Therefore, the rejection of claim 32 as anticipated by Nichtberger is improper and should be reversed.

Claims 45, and 58 are system and computer product analogs of method claim 32. Claims 45 and 58 are not anticipated by Nichtberger for the same reasons applicable to claim 32.

IV. **The Rejection of Claims 34, 47 and 60 Under 35 USC 103(a) as Being Unpatentable Over US Patent No. 4,882,675 to Nichtberger**

On page [x] of the office action mailed March 1, 2006, the examiner rejected claims x under 35 UC 103(a) as being unpatentable over Nichtberger reasoning that:

> As per claims 34, 47 and 60, although Nichtberger discloses adding or totaling individual incentives, associated with selected coupon items, based on the number of selected coupon items present in the customer's order during a transaction and applying the total individual incentives to the customer's purchase (See above), however, Nichtberger does not expressly teach applying the incentives in a subsequent transaction or shopping trip.
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> However, it is common practice in the art for a manufacturer or retailer to provide one or more discount coupons or cumulative incentives, during a single shopping at a retail store, to a customer based on whether or not one or more coupon items or triggering items are bought by the customer or based on the amount of money spent by the customer during the transaction, wherein the one or more discount coupons or cumulative incentives (generated voucher) are issued on a medium and redeemable on a subsequent shopping trip (See at least the "Off' Patent cited in the conclusion section).
>
> "Official Notice"
>
> Therefore, an ordinary skilled artisan would have been motivated at the time of the invention to incorporate the publicly disclosed information ("Official Notice"), as shown above, into the system of Nichtberger so as to identify a customer at a checkout in a retail store, during a transaction including a redemption, and retrieve from a database coupon data (token data) selected earlier by the customer and stored in the database in order to determine if one or more items in the customer's purchase match one or more items related to the selected coupon data as read from the database and to add up or total individual incentives associated with one or more selected and matched coupon items, based on the number of selected coupon items present in the customer's order during a transaction, which yields to an accumulated purchase incentive (generating a purchase incentive) and to finally provide the (accumulated) purchase incentive or accumulated incentives, redeemable on a subsequent shopping trip, to the identified customer via a medium useful during the future or delayed redemption, thereby luring the customer back to the retail store or an associated POS to redeem the accumulated incentives, while buying more products and spending more money at the retail store checkout or associated POS, which in the end helps increase the retailer's business bottom line.

In response, the applicant submits that these rejections are improper for the same reasons noted above for the 102 rejections.

In addition, the examiner corresponded the receipt of a discount on a purchase transaction with the generation of a purchase incentive based on discount items associated during the purchase transaction with the token. As noted above in the discussion of the examiner's claim interpretation, that correspondence is incorrect. The claimed generation of a purchase incentive is in equivalent with a discount applied to a purchase transaction.

For all of the foregoing reasons, the rejections of claim 32-70 as obvious over Nichtberger are improper and should be reversed.

V. Support in the Specification for New Dependent Claims

Page 2 line 3; page 8 lines 23 - 25 disclose the concept of the personal computer located remote from said main computer. Page 8 lines 23-25 disclose the concept of the personal computer located outside said retail store or at a user's home. Page 2 lines 3-5 disclose the concept of logging the personal computer on to a web site computer prior to said transmitting promotion data.

These dependent claims further distinguish from Nichtberger's in-store process and in-store system, by defining the personal computer remote from the store and defining logging in to a web site.

Respectfully Submitted,

6/2/06

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Printed: June 2, 2006

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